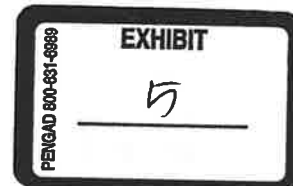


WDS

Signed



November 1, 2007

Mr. Peter Braffman
KLMLP, L.P.
c/o Zurich Alternative Asset Management, LLC
105 East 17th St.
New York, NY 10003

RE: Proposal

Dear Peter:

Thank you for taking time last week to discuss WDS' proposal to assist the owners (the "Owners") of the Delta Wetlands Project (the Project). I hope this proposal reflects those discussions.

Scope of Work

WDS will be responsible for all aspects of the project management of the Delta Wetlands project. Wherever possible WDS will utilize its existing contractual relationships to try and push discounted pricing onward to this Project.

WDS' services will include.

- a. Asset Management
 - i. Negotiation and management of leases
 - ii. Management of contractors that perform Delta Wetlands Farming operations
 - iii. Accounting and tax management
 - iv. All interaction with levee district and all correspondence and reporting with state and county agencies
 - v. Management of levee maintenance contractors
- b. Asset Development
 - i. WDS will develop an Entitlement Plan and Budget, which it will submit to the Owner 45 days before the beginning of each year and that it will revise on a quarterly basis. WDS will present the Entitlement Plan and Budget to the Owner each quarter. WDS will report to the Owner on a monthly basis of its progress.
 - ii. WDS would be responsible for selecting (with the Owner's approval), contracting with and managing all third party consultants retained to help implement the Entitlement Plan, including review and payment of invoices from an account periodically funded by the Owner.

iii. In consultation with the Owner and third-party consultants, WDS will develop an annual business plan which will be submitted at least 30 days prior to the beginning of each year to Owner for its approval. Upon such approval (to be given or withheld in Owner's sole discretion), WDS will implement the business plan, which will address all political, environmental, legal, public relations, technical, permitting and sales strategies, in particular:

1. Identification, marketing and negotiating with 3rd parties that would use the facility
2. Revision of EIS/EIR and permits to reflect user(s)
3. Mitigation of opposition and rallying of support
4. Identification of funding (grants) for 3rd parties
5. Alternate exit strategies

Commercial Terms and General Conditions

Fee. The Owner will pay WDS a monthly fee of \$40,000.00 for managing the project. WDS would receive an additional \$40,000.00 a month in deferred compensation, which would be paid only when there is a monetization event such as Delta Wetlands being sold or when a third party makes an investment in Delta Wetlands, in each case reflecting a value of the Project in excess of \$60,000,000. These fees include WDS labor, overhead and expenses.

Bonus. The Owner would pay WDS a bonus based upon proceeds from a sale of the Project or a capital infusion from new third party investors (each a "Monetization Event"). Such proceeds would be based on amounts received by the Owners of the Project as of the date of the Agreement, but not on amounts received by any new third party investors, and net of any and all transaction and closing costs, including legal, placement and transfer fees, and deferred compensation paid from such proceeds, but would not be net of any existing indebtedness (such as the AgCredit loan) or any additional funding provided by the Owner, other than as provided below.

1. With any Monetization Event in excess of net proceeds of \$60 million, WDS would receive
 - a. First, its deferred compensation, followed by (and net of any deferred compensation paid),
 - b. 5% of the amount of net proceeds from \$60 and up to \$80 million,
 - c. 7% of the amount of net proceeds from \$80 and up to \$100 million,
 - d. 10% of the amount of net proceeds from \$100 and up to \$125 million,
 - e. 15% of the amount of net proceeds from \$125 and up to \$150 million, and
 - f. 20% of the net proceeds in excess of \$150 million.
2. If no Monetization Event has occurred within three years of the date of this agreement, the threshold amounts listed above will be adjusted upward to the extent that, at the time



of a Monetization Event or a termination of this agreement, the sum of (i) \$50 million and (ii) all capital invested in the Project by the Owner from the date hereof (whether in the form of equity or debt (including third party debt)) together with interest thereon at the prime rate (calculated from the date the funding is advanced) exceeds \$60 million of net proceeds. Such excess amount will be added to the threshold amounts listed above.

3. At the written request of the Owner, WDS will aid the Owner in finding a capital partner to invest in the Delta Wetlands project. In the event that an investment occurs from a party introduced by WDS (which would only occur on terms and conditions acceptable to Owner in its sole discretion), then WDS will receive a fee of 3% of the invested capital from such party.
4. Any bonus fees payable to WDS will be paid by Owner and will be diluted *pari passu* with the Owner based on the percentage interest acquired by any new capital partner.
5. If the Owner abandons the Delta Wetlands Project and sells the property for less than \$60MM of net proceeds, then WDS will receive its deferred fee and 2% of the gross sale price of the Project.

Third Party Costs, Overruns and Savings. The Owner will be responsible for all third party consulting costs, although these costs (and associated contracts) would be managed by WDS. WDS will attempt to limit these costs and will, wherever possible, perform these tasks using WDS staff. The current budget for the Project, \$1.7 million annually, will not be exceeded (including WDS' fees); in the event that WDS asks the Owner to exceed this budget, WDS will be responsible for 10% of the costs over and above \$1.7 million, payable within 20 business days of demand (or as an offset to the current monthly fee at Owner's election). In the event that WDS is able to manage the project efficiently and in a manner acceptable to the Owner for less than \$1.7 million, then WDS will receive 10% of the savings which will be added to its deferred payments.

Payment. WDS will submit invoices to the Owner consistent with this Agreement, with payment due within 20 business days.

Termination. Either WDS or the Owner may terminate this Agreement upon 30 days written notice. Upon termination by Owner, WDS will not be entitled to any fees, including the deferred fees or bonus fees. Notwithstanding the foregoing, if the Project is sold within 120 days of the termination of this agreement to any party with whom Owner negotiated for the sale of the Project during the term of this Agreement, WDS will be entitled to the deferred fees and the bonus fees to the extent set forth above; provided however, that WDS will not be entitled to any deferred fees or bonus fees or other payments if this agreement is terminated for cause. Upon termination by WDS, it shall not be entitled to any deferred fees or bonus fees or any other payment.

Management. The Owner will have the ultimate decision making authority on all issues related to the Project, including without limitation, contracts, consultants, entitlements, leasing and sales. WDS will advise the Owner, but all decisions will be at the Owner's absolute and sole discretion.

WDS and, upon execution of the Authorization to Proceed set forth below, the Owner, agree to be bound by the terms of this Agreement and the General Conditions set forth in Attachment 1.

We acknowledge that this agreement is subject to the approval of Kemper Corporation, Lumbermans Mutual Casualty Company and Amico Realty, the subordinate lenders to the Project. Owner agrees to use good faith efforts to promptly obtain the consent of the subordinate lenders to the Project (but without the obligation to make payments to such lenders to obtain the consent). If each subordinate lender does not consent to this Agreement by December 31, 2007 this Agreement shall be null and void.

We look forward to working with you.

Sincerely,



Cole Frates

Authorization to Proceed

The Owner authorizes Western Development and Storage, LLC. to proceed with the work specified in this proposal and agrees to be bound by the terms set forth in this Agreement and the General Conditions set forth in Attachment 1, which are incorporated by reference into this Agreement.

KLMLP, L.P. a Delaware limited partnership

By: Amico Realty Corporation, an Illinois Corporation

By: Ray D. Schmitz
Its: Senior Vice President
Date: November 16, 2007

By: Kemper Corporation, successor in merger for KILICO Realty Corporation and FKLA Realty Corporation, an Illinois Corporation

By: T. & B.
Its: Vice President
Date: November 16, 2007

ATTACHMENT 1
GENERAL CONDITIONS

**WESTERN DEVELOPMENT AND STORAGE
AND
KLMLP, L.P.**

PERFORMANCE AND WARRANTY. Western Development and Storage, LLC, (Consultant) agrees to perform consulting services within the limits prescribed by the Owner Corporation, on a good faith basis under the terms and conditions set forth herein. Consultant will exercise reasonable skill and judgment in providing such Services. Consultant's responsibility is limited to work specifically performed by Consultant for Client. Consultant will not be responsible for acts or omissions of Client, its officers, directors, employees or agents, or any third parties not employed directly by Consultant. Consultant's Services will be performed, findings obtained, and recommendations prepared in accordance with generally and currently accepted principles and practices. Consultant does not warrant any specific results of any kind. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES EITHER EXPRESSED OR IMPLIED.

INVOICE AND PAYMENT TERMS. Invoices will be submitted once a month, with payment due within twenty (20) business days of the date of the invoice. A late charge at the rate of one and one-half percent (1-1/2%) per month, or the highest rate allowed by applicable law, whichever is the lowest, will be added to all amounts outstanding after thirty (30) days. Client will continue to be responsible for payment of Consultant's charges, along with Client's other obligations hereunder, even if Client requests the invoices to be sent to a third party.

CLIENT OBLIGATIONS. Client will obtain and provide all necessary permits and licenses required for the Services proposed and will hold harmless and indemnify Consultant from any claims or losses arising from failure to obtain any such permits or licenses.

INFORMATION. Consultant is entitled to and will rely upon information supplied by Client, Client's engineers or consultants, or information available for generally accepted sources, without independent verification. Consultant assumes no responsibility for the accuracy of such information and will not be liable to Client for any inaccuracies contained in that information.

CONFIDENTIALITY. Consultant agrees and covenants with respect to all Confidential Information that, during and after the term of this Agreement, Consultant shall:

- a. Never communicate, publish or otherwise disclose any Confidential Information to any party, other than to other employees of the Client authorized and required to receive such information in the performance of their duties for the Client, who will also be bound by this Section.
- b. Never use any Confidential Information, either for the benefit of Consultant or for the benefit of any person, firm, association, corporation or other entity other than Client.

c. Use professional efforts at all times to safeguard any Confidential Information made available to Consultant from falling into the hands of any unauthorized person.

d. Not permit any Confidential Information which has been reduced to writing to be read, duplicated or extracted except in the performance of Consultant's duties hereunder.

As used herein, the term "Confidential Information" shall mean information relating or pertaining to past, present or prospective business secrets, the Services to be performed under and the terms of this Agreement, the proposed use of the Project, information relating to the Project, methods or policies, earnings, finances, security holders, lenders, key employees, nature of services performed by the Client's sales and production personnel, quality control procedures or standards procedures and methods of cost control, research and development, engineering data and designs, methods and procedures of production and fabrication, methods and procedures involving construction or installation of the Client's products and components, information relating to arrangements with suppliers, the identity and requirements of arrangements with customers, and the type, volume and profitability of work for such customers, drawings, records, reports, documents manuals, techniques, procedures, formulas, ratings, design information, data, statistics, trade secrets and all other information of any kind or character relating to the Client or the Project, whether or not reduced to writing, which the Client considers confidential or which is not generally available to the public. Should Client provide Consultant with Confidential Information, Client shall identify the confidential information by marking such document as "CONFIDENTIAL" and identifying orally at the time of any disclosure of confidential information, the nature and extent of such information that is confidential.

DOCUMENTS. Any reports, drawings, plans, or other documents (or copies) furnished to Consultant by Client will remain the property of Client and, will, at Client's written request, be returned upon completion of the Services hereunder. All reports, including drawings, plans, designs, and specifications prepared for Client, will become sole property of Client upon payment by Client of Consultant's invoices for the Services performed and may not be disclosed by Consultant to any third party without Client's prior written consent or unless Consultant is required by law to disclose such final report. Consultant will promptly advise Client of any requirement to disclose and will cooperate with Client to object to disclosure if Client elects to do so.

RIGHT TO USE. Client may use any reports of findings, plans, designs, or other work performed or prepared by Consultant under this Agreement in connection with the project and/or location indicated in Proposal or for any other purpose. Consultant does not warrant that the Services (or any reports or data based thereon) will be sufficient in form or substance to satisfy any required or desired regulatory agency approval. Consultant will obtain prior written consent from Client for application and use of any information, technology, procedures, processes or methods learned or developed by it from its provision of Services hereunder, which consent Client may provide or not in its sole and absolute discretion.

NON-NOTIFICATION. The Services will not, unless expressly agreed to in writing by the parties, include acting on behalf of Client to comply with any federal, state or local law, ordinance, rule, or regulation requiring notification to any federal, state, or local agency, or any other notification to any other party, of a release or threatened release of a hazardous waste or substance, or any other violation of any environmental law, ordinance, rule, or regulation.

PROJECT DELAYS. Consultant will not be responsible for delays attributable to acts of God, acts of third parties, weather which is not reasonably foreseeable, intervention of public authorities, inability to obtain permits necessary to perform the Services, work stoppages, changes in applicable laws or regulations after the date of this Agreement, and any other conditions or events which are beyond the reasonable control of Consultant.

CHANGE ORDERS. Client may, by written order, request changes in the Services specified herein. Said changes will not become part of this Agreement unless agreed upon (including any resulting additional charges) by Consultant. Any other written order or oral order (including directions, instructions, interpretations or determinations) from Client, may be treated as a change order by Consultant if extra time or work is required for completion. Consultant will be entitled to an equitable increase in the fees for any work performed beyond that described in the Proposal.

INDEMNIFICATION. Client agrees to indemnify and hold Consultant, its directors, officers, stockholders, employees, agents and subcontractors, harmless from and against any and all claims, demands, causes of action (including third-party claims, demands or causes of action for contribution or indemnification), liability and costs (including attorneys' fees and other costs of defense) which arise out of or result from any aspect of the Project, except and to the extent that such claims, demands, causes of action, liabilities or costs are caused by the negligence or intentional misconduct of Consultant, its employees, agents or subcontractors. Consultant agrees to indemnify and hold Client, its directors, officers, stockholders, employees, agents, partners, members and subcontractors, harmless from and against any and all claims, demands, causes of action (including third party claims, demands or causes of action for contribution or indemnification), liability and costs (including attorneys' fees and other costs of defense) which arise out of or result from the negligence or intentional misconduct of Consultant, its employees, agents or subcontractors.

LIMITATION OF LIABILITY. Regardless of anything to the contrary in any other part of this Agreement, neither party will be liable to the other party for any special, indirect, incidental or consequential damages, whether based on contract, tort (including negligence) strict liability or otherwise. This limitation applies to all liabilities, including indemnification liabilities, whether based on contract, tort (including negligence), strict liability or otherwise. This limitation of liability does not in any way limit or affect the parties' obligations in this Agreement to indemnify and hold harmless the other party. All claims in connection with the Services to be performed hereunder will be deemed waived.

GOVERNING LAWS. This Agreement will be governed by and construed in accordance with the laws of the state of California. If any term, provision or condition contained herein will, to any extent, be invalid or unenforceable, pursuant to state law or otherwise, the remainder of the

terms, provisions and conditions hereof (or the application of such terms, provisions, or conditions to persons or circumstances other than those in respect of which it is invalid or unenforceable) will not be affected thereby, and each term, provision and condition of this Agreement will be valid and enforceable to the fullest extent permitted by law.

SUBPOENAS. The Client is responsible, after notification, for payment of time charges and expenses resulting from Consultant's required response to subpoenas issued by any person or entity in connection with Consultant's provision of Services hereunder. Charges will be based on schedules in effect at the time the subpoena is served.

TERMINATION UPON DEFAULT. In the event of any default in the performance of this Agreement, the non-defaulting party may, with ten (10) days written notice of termination to the defaulting party, terminate this Agreement unless the defaulting party within such ten (10) day period cures such default or, if the default cannot be cured in ten (10) days, takes and continues to take substantial steps to cure such default. Consultant, however, will be entitled to immediately terminate this Agreement if Client fails to make timely payment for Services performed.

INDEPENDENT CONTRACTOR. Consultant will be considered an independent contractor and not an employee, agent, representative or joint venture of Client. Consultant will determine the time, manner, means and method of providing the Services (subject to the terms hereof) and will furnish all labor, tools and equipment necessary to perform such Services; provided, however, Consultant will not be responsible for the negligence of Client or any other person or entity in the design or selection of a specific manner, means, method or technique which is required by Client and /or Client's specifications.

EQUAL OPPORTUNITY. WESTERN DEVELOPMENT AND STORAGE, LLC. ("WDS") supports the principle of equal opportunity for all, without regard to race, creed, color, sex, age, national origin, disabled or veteran's status. WDS is an Equal Opportunity Employer, and it expects its suppliers and contractors to honor the principles of opportunity for all without prohibited discrimination. WDS commits to compliance with applicable executive orders, and applicable federal, state and local laws supporting equal opportunity for all.

ASSIGNMENT & SUBLETTING. Client may transfer or assign its rights and/or obligations under this Agreement to any third party, related or unrelated, without the express written consent of Consultant. Consultant will not have the right to transfer, assign or sublet all or any portion of its rights or obligations hereunder without the express written consent of Client.

RECOURSE OF CLIENT LIMITED TO CONSULTANT. CLIENT UNDERSTANDS AND AGREES THAT IT IS CONTRACTING WITH CONSULTANT. CLIENT AGREES THAT IT IS RELYING SOLELY ON CONSULTANT AND ITS ASSETS TO PERFORM THIS AGREEMENT AND TO FULFILL CLIENT'S OBLIGATIONS AND LIABILITIES HEREUNDER, TOGETHER WITH ANY AND ALL OBLIGATIONS OR LIABILITIES ARISING IN ANY MANNER, DIRECTLY OR INDIRECTLY, AS A RESULT OF THIS AGREEMENT OR THE SERVICES PROVIDED BY CONSULTANT.

MISCELLANEOUS.

A. The Terms and Conditions set forth in this Agreement constitute the entire understanding of the parties relating to the Services to be performed by Consultant for the Client. All previous proposals, offers, and other communications relative to the provisions of the Services, oral or written, are hereby superseded.

B. Any modifications or revision of any provisions hereof or any additional provisions contained in any purchase order, acknowledgement, or other form of the Client is hereby expressly objected to by Consultant and will not operate to modify this Agreement.

C. This Agreement will take effect upon acceptance and execution by both parties.

D. Each party hereto shall be responsible for its own attorneys' fees incurred in connection with the preparation, negotiation and execution of this Agreement. In the event Client or Consultant shall institute any action or proceeding against the other relating to this Agreement the prevailing party in any action or proceeding shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party. This paragraph shall survive the expiration of the term (whether by termination or otherwise).

E. All duties shall be performed by Consultant in accordance with the Standards of Care, defined as providing the skill, diligence and professional competence applicable to consultants engaged in providing similar consulting services in California. Except for this obligation and not withstanding any other provision of this Agreement, no warranty, expressed or implied, or warranty of performance is intended in connection with Consultant's services under this Agreement or otherwise.

F. Consultant shall maintain a complete and accurate set of files, books and records of all business activities and operations conducted by Consultant in connection with the Project, as well as any correspondence related to compliance of the Project with any applicable foreign, U.S. federal, state and local laws, rules and regulations. Consultant shall make such files, books and records available to Client as Client may require from time to time.

G. The Fees and Bonus defined in a previous section will constitute the entirety of payments by Client to Consultant in performing the duties defined in this agreement. Client shall not be obligated to reimburse Consultant for expenses for personnel costs, employee salaries, office equipment or office supplies, for any overhead or licensure or for costs related to bookkeeping or accounting services required in connection herewith, or for any other costs or expenses.